

BEFORE THE FEDERAL ELECTION COMMISSION

JAN 21 2000
RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2000 JAN 21 A 10:03

In the Matter of

Cynthia Lucia; Rose Jean)
Lucia; M.M. Lucia, Sr.; Rolf Schulz;)
Linda Schulz; Gertie Ewing; Kenneth)
Johnson; Roy M. Locks; Billie M. Locks;)
Thang Nguyen Vu; Holly Nguyen Vu; Keith)
R. Johnston; Robin Johnston; Claude)
Huckaby, Jr.; Felicia Huckaby; Robert)
Frank; Mildred Frank; Bobby Frank;)
Gary Oliver; Jacquelyn Oliver; Norma)
F. Smith)

MUR 4783

SENSITIVE

GENERAL COUNSEL'S REPORT #4

I. **ACTIONS RECOMMENDED:** Take no further action and close the file as to some employees involved in a corporate straw-donor scheme.

II. **DISCUSSION**

This matter was generated by a complaint filed by Peter Cloeren, a businessman in Orange, Texas, and his company, Cloeren, Inc. Along with making various allegations regarding the conduct of others, Mr. Cloeren admitted in the complaint that he and Cloeren, Inc. made over \$37,000 in contributions to the authorized campaign committee of Dr. Brian Babin ("the Babin Committee"), in the names of thirty-two of Cloeren, Inc.'s employees and the employees' family members. The Commission found reason to believe, inter alia, that the Cloeren, Inc. employees and family members involved in this scheme (hereinafter referred to collectively as "the employees") committed various violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

22.04.405.4255

Most of these employees are represented by one attorney. In response to the Commission's reason to believe findings, these respondents submitted a confidential proffer of testimony. From the testimony it appeared that most of the employees had little information of use to this investigation beyond their brief statements about the circumstances of their contributions to the Babin Committee. Because the Commission could not agree to the confidentiality terms of the proffer, however, the Commission authorized a letter from this Office stating that the Commission would take no further action as to the employees who appear to have little extra information, if these employees filed responses to the Commission's findings which were not restricted as to confidentiality.

Counsel has responded favorably to the Commission's offer, and has removed the confidentiality restrictions attached to the information in the employees' responses. Therefore, this Office recommends that the Commission take no further action and close the file as to the following individuals: Cynthia Lucia; Rose Jean Lucia; M.M. Lucia, Sr.; Rolf Schulz; Linda Schulz; Gertie Ewing; Kenneth Johnson; Roy M. Locks; Billie M.

Locks; Thang Nguyen Vu; Holly Nguyen Vu; Keith R. Johnston; Robin Johnston; Claude Huckaby, Jr.; Felicia Huckaby; Robert Frank; Mildred Frank; Bobby Frank; Gary Oliver; Jacquelyn Oliver; and Norma F. Smith.³

III. RECOMMENDATIONS

1. Take no further action and close the file as to: Cynthia Lucia; Rose Jean Lucia; M.M. Lucia, Sr.; Rolf Schulz; Linda Schulz; Gertie Ewing; Kenneth Johnson; Roy M. Locks; Billie M. Locks; Thang Nguyen Vu; Holly Nguyen Vu; Keith R. Johnston; Robin Johnston; Claude Huckaby, Jr.; Felicia Huckaby; Robert Frank; Mildred Frank; Bobby Frank; Gary Oliver; Jacquelyn Oliver; and Norma F. Smith.

22.04.40.23
1
Date


Lawrence M. Noble
General Counsel

Staff Assigned: Seth Row

³ This approach is consistent with the approach that the Commission took in several past cases which presented similar issues. See, e.g., MURs 3506 (taking no further action against those employees who "appear to have had a less central role" in corporate straw donor scheme) and 4297 (same).